

NEIGHBORHOOD STABILIZATION

Program Guidelines | March 2018



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Neighborhood Stabilization Program (NSP)

A. Background

In 2008, the United States Department of Housing and Urban Development (HUD) allocated to the Commonwealth of Pennsylvania \$59,631,318 in Neighborhood Stabilization Program (NSP) funds authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program. NSP funds were intended to address the problems of abandoned and foreclosed homes and other residential properties, while providing affordable rental and homeownership opportunities to households in areas of greatest need that earn below 120 percent of the Area Median Income (AMI).

The purpose of NSP was to address the effects of the housing crisis that occurred due to subprime mortgage lending which, nationally, resulted in significant numbers of homeowners entering foreclosure and entire neighborhoods becoming vacant or abandoned. Pennsylvania, while above the national average in numbers of subprime mortgage loans at the time, had not experienced the same level of housing foreclosures.

Each past and future grantee is encouraged to carry out the NSP activities in the context of a comprehensive plan to make its neighborhoods not only more stable, but also sustainable, competitive, and integrated into the overall community fabric including access to transit, affordable housing, employers and services. Such application proposals were and will be given priority in the selection process. Applicants were and remain encouraged to review the Commonwealth's Keystone Principles for Investment and the housing priorities for Targeting, Leverage, and Impact contained in the Commonwealth's Consolidated Plan. DCED also encourages model targeting strategies to effectively utilize the NSP funds as outlined in *Stabilizing Neighborhoods by Addressing Foreclosed and Abandoned Properties*. The selection criterion for NSP grants will apply the referenced principles and priorities.

In the original application process the following documents, which were found on DCED's website, were reviewed carefully, as they included changes and waivers from the usual rules and regulations of the CDBG Program:

- Housing and Economic Recovery Act of 2008 – Title III Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes.
- Notice of Allocations, Application Procedures, Regulatory Waivers Granted to Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees Under the Housing and Economic Recovery Act 2008; Notice dated October 6, 2008
- Neighborhood Stabilization Program Guidelines and Application Kit

Links to these documents and other NSP related information can be found at DCED's web-site at: dced.pa.gov/nsp.

B. Re-allocation of Recaptured Treasury Funds and Program Income

DCED determined a need to complete a Substantial Amendment to the Commonwealth's 2008 Action Plan to allow for the timely closeout of NSP programs that still have unexpended funds and/or program income. Any funds recaptured, including earned program income under the current NSP contracts will be used to fund additional NSP eligible projects. As DCED prepared for the closeout of NSP 1 contracts it was recognized that a majority of the 30 grantees completed their approved activities as proposed. However, some of these grantees generated a significant amount of program income due to sale of properties under their homebuyer activities after their original grant allocation was expended and in some cases these grantees have no further use or eligible properties that meet the NSP qualifications for eligibility.

DCED disencumbered any remaining funds from contracts that were available to draw from the Federal Treasury through the Disaster Recovery Grant Reporting (DRGR) system. These were funds that were not committed under any third-party contracts.

Additionally, during the tenure of the NSP program, DCED allowed grantees to retain program income as long as the NSP specific program requirements were met as described in Appendix A of the contract. In 2014, DCED modified the Appendix A to address future Program Income to set limitation on how, when, and how much can be receipted and expended. As a result, DCED has identified approximately \$3.1 million dollars in Program Income and recaptured or unexpended program funds which DCED seeks to reallocate to eligible NSP projects through this competitive application process.

DCED will be accepting applications from eligible NSP grantees meeting requirements defined herein for use of the recaptured NSP funding. The applicant must follow the application procedures and submit the required elements via DCED's Electronic Single Application.

C. Areas of Greatest Need

The commonwealth uses the following two sources of data to identify Areas of Greatest Need:

1. **HUD Risk Score** – Measures the estimated foreclosure and abandonment risk of every Census block group in the commonwealth. This score includes data to assess areas with the greatest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage-related loans and those identified as likely to face a significant rise in the rate of home foreclosures. The HUD Risk Score also addresses all of the statutorily required needs factors. This score is scaled from 0 to 10, with 10 being the highest or greatest risk. A complete listing of the risk score and data for each Census Block group is available at the following website: www.huduser.org/datasets/excel/PA120_LM.xls.
2. **Home Mortgage Disclosure Act data** – Statistics on the percentage of subprime mortgages issued, by county, from 2004 through 2006 compared to the total number of mortgages issued during the same time period. The percentages ranged from 10.69 percent to 33.59 percent. A complete listing of the data is available at the following website: dced.pa.gov/download/subprime-mortgages-by-county-percentages-2004-2006-xls/?wpdmdl=58270.

The commonwealth recognizes two categories of Areas of Greatest Need:

- **Qualified Need Areas:** Any applicant for NSP funds must have within its geographic jurisdiction a Census block group with a HUD risk score of six (6) or higher, or be located in a county with subprime mortgages totaling at least 23.99 percent or higher of total mortgages issued. All applicants must show that their jurisdictions meet the "Qualified Need Area" assessment, which constitutes the threshold of eligibility for NSP funds. A map of Greatest Need Areas is available at the following website: dced.pa.gov/download/nsp2-pdf/?wpdmdl=58253

- **Priority Need Areas:** Jurisdictions with a risk score of eight (8) or higher will be deemed Priority Need Areas. Applicants from Priority Need Areas will receive priority consideration in the funding distribution and award process. These applicants do not have to restrict their activities to only the Priority Need Census block groups, but must demonstrate how the activities they undertake will address the problems faced in those areas and population groups located there.

D. Eligible Applicants

The recaptured allocation of NSP funding is available to existing eligible NSP grantees, that are units of local government, which have successfully implemented their original grant contract, and have met their original projected goals. Eligible entities must submit evidence that they have in place at the time of application the following plans and certifications:

- Fair Housing Plan
- Section 3 Plan
- Minority Business Enterprise/Women Business Enterprise (MBE/WBE) Plan
- Certification of Consistency with either:
 - Local Consolidated Plan (for Federal CDBG entitlement areas)
 - Local 3-Year Community Development Plan (for all other areas)
- Identify a Responsible Entity for conducting the Environmental Review

E. Eligible Activities

Activities that are eligible under HERA include the following:

1. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.
2. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
3. Establish land banks for homes that have been foreclosed upon.
4. Demolish blighted structures.
5. Redevelop demolished or vacant properties.

HUD has established restrictions on these activities in its Notice on the allocation and application process for NSP funds. In particular, several of these activities are only eligible if the use of funds will address a foreclosed property. DCED will administer NSP funds with the maximum authorized flexibility while adhering to HUD-mandated restrictions. DCED will also advise and provide technical assistance to all of its applicants regarding these requirements.

Additional information on how these activities can be carried out in the context of the program can be found at Appendix B - Model Programs & Regulatory Requirements

F. Grant Amounts

There will be no cap on the amount of funds that can be requested. Applicants are asked to modify the request based on what is necessary to complete the proposed project given other sources of funds and the ability to complete the project within 18 months of DCED contract award. DCED will prioritize projects that can utilize a minimum of \$1 million and have a minimum of 15 units.

DCED also reserves the right to adjust requested application amounts based on the information provided by the applicant to justify the needs of the jurisdiction and the capacity to carry out the proposed activities in a timely manner.

G. Definitions

The HUD Notice of October 6, 2008 is the source of authority for the following two definitions.

1. **Abandoned.** A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.
2. **Foreclosed.** A property has been foreclosed upon at the point that under state or local law the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

The Department's NSP Action Plan is the source of authority for the definition of vacant property or blighted structure.

1. Blighted Structure

The definition of "blighted structure" is outlined in two state laws, the Eminent Domain Law and Urban Redevelopment Law. Given that NSP funds essentially cannot be used for Eminent Domain, Pennsylvania's Urban Redevelopment Law defines "blighted property" and can be found at 35 P.S. § 1712.1(c). Per that definition, blighted property shall include:

- a. Any premises which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with local housing, building, plumbing, fire and related codes.
- b. Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures.
- c. Any dwelling which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the department responsible for enforcement of the code as unfit for human habitation.
- d. Any structure which is a fire hazard, or otherwise dangerous to the safety of person or property.
- e. Any structure from which utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that property is unfit for its intended use.
- f. Any vacant or unimproved lot or parcel of ground in a predominantly built-up neighborhood, which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin.

- g. Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of the act (P.L. 991, 1945), and those in the future having a two (2) year tax delinquency.
- h. Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of receipt of notice to rehabilitate from the appropriate code enforcement agency.

2. Vacant Property

The commonwealth's definition of vacant property will include any property that meets one of the following criteria taken from the Urban Redevelopment Law and can be found at 35 P.S. § 1712.1(c):

- a. Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of the Act (P.L. 991, 1945), and those in the future having a two-year tax delinquency;
- b. any property that is vacant, but not tax delinquent and has not been rehabilitated within one year of receipt of notice to rehabilitate from the appropriate code enforcement agency; or
- c. any property that is vacant, but not tax delinquent and has not been occupied for a period of at least three years.

H. Fundability and Principal Benefit

All activities assisted under the NSP program must benefit low-, moderate-, and middle income households (LMMH). This income level includes those at 120% of the adjusted median income or below. The activities can be direct benefit activities in which the individual or household income must qualify (LMMH) or be done in an area in which at least 51% of the population meets the 120% (LMMA) limits.

I. Application Process

The following forms will make up the application package for the Neighborhood Stabilization Program:

- 1. Electronic Single Application for Assistance (ESA) – must be submitted via the web-site at www.esa.dced.state.pa.us/Login.aspx. A signed copy of the ESA must be included with the hard copy of the application submission. Please reference the Web ID number on any documents sent with the signature page.
- 2. General Application Description Form
- 3. Resolution of the local governing body authorizing the application submission.
- 4. Statement of Assurances
- 5. Management Plan/Local Staff Capacity
- 6. Project / Activity Description Form
- 7. NSP Budget Summary Form
- 8. Other Supporting Documents – maps of the target areas; cost estimates; photos;

The application guidelines and kit will be available on the Department's web site at dced.pa.gov/nsdp.

Key forms in the application package are items # 6 (Project / Activity Description) and # 8 (Other Supporting Documents), where the applicant should describe the following:

- What issues have been identified as being significant contributors to foreclosures in the targeted areas;
- Detail specific activities that are planned in the area – e.g. acquisition, demolition, rehabilitation for resale; new construction; and or other related activities that will be undertaken to address the causes of foreclosure;

- The number of abandoned or foreclosed properties in the target area;
- Characteristics of the neighborhood or area where funds are being targeted, e.g. market values of housing in the neighborhood, demand for housing, etc.;
- Activities to address individuals and households at 50% of adjusted median income (AMI);
- How the neighborhood will document when stabilization has been achieved in order to evaluate the project;
- Timeframe for completion of the activities (including significant milestones toward project completion); and
- Other funding and/or projects that will complement the program to bring about stability and re-use or redevelopment of the property/ neighborhood.

Applicants should use the narrative portion of the Project / Activity description form to explain how their proposed project will be accomplished in an expedited manner. Applicants are encouraged to provide all supporting documentation necessary to support the proposed activities. Applicants should also carefully read the October 6, 2008 Federal Register Notice (www.hudexchange.info/nsp/nsp-laws-regulations-and-federal-register-notices/) to fully understand the requirements and waivers that govern the use of these funds.

J. Review Process

DCED will evaluate the applications submitted and make funding decisions based on the following considerations:

1. **Neighborhood Stabilization – 20 points**

The commonwealth will give priority to those proposals that demonstrate a strong connection to neighborhood stabilization activities, consistent with commonwealth's existing housing priorities for Targeting, Leverage, and Impact in its Consolidated Plan. The commonwealth will draw a distinction in awarding priority points to give more points to those applications that connect NSP-funded activities to housing foreclosure and abandonment problems caused by problematic mortgage lending activities. Priority will also be given to proposals that will support other neighborhood stabilization activities consistent with Targeting, Leverage, and Impact as defined in the Commonwealth's Consolidated Plan. Applicants should also give consideration to the strategies suggested in **Stabilizing Neighborhoods by Addressing Foreclosed and Abandoned Properties**, which is found at: dced.pa.gov/nsp.

2. **Capacity of Applicant & Program Administrators – 20 points**

DCED will give priority to applications that exhibit a strong capacity to administer the NSP in two areas:

- Knowledge, implementation, and compliance of activities funded through the CDBG Program. DCED will also assess any prior significant monitoring findings or program weaknesses that have not been addressed, as well as performance on prior DCED contract closeout requirements. *(15 Points)*
- Experience administering and delivering the specific activities for which the NSP funds would be used. If significant administrative responsibilities will be assigned to another entity via subcontract, the experience of that entity will be considered as well and must be addressed in the application. *(5 Points)*

3. **Assistance to Low-Income Households At or Below 50% AMI – 20 Points**

In order to meet the requirement that at least 25 percent of all NSP funds assist households at or below 50 percent of the area median income (AMI), the commonwealth will give priority to proposals that will serve persons in this income category. Proposal scores will be prorated according to the percentage of funds that will benefit households at or below 50 percent AMI.

NOTE: DCED will impose the assistance to low-income households proposed in applications as contract conditions with required performance levels in order to receive NSP grant payments.

4. **Priority Need Areas – 15 Points**

While all applicants must serve an Area of Greatest Need to be eligible for NSP funding, the commonwealth will give priority to proposals that address the Priority Need Areas as defined in the Action Plan. To qualify for this criterion, an applicant is not required to use all NSP funds in the geographic location(s) defined as Priority Need Areas, however, the application must clearly contain Priority Need Area(s) within its jurisdiction and must detail how NSP or other funding will address the housing problems in those Priority Need Area(s).

5. **Multi-Municipal Proposals – 10 Points**

The commonwealth will give priority to those applications that will serve multiple municipalities and demonstrate effective inter-governmental cooperation in addressing needs in multiple locations. This priority will include proposals submitted by county governments and regional efforts to manage efficiently NSP funds. The applicant must demonstrate a strong management role in the program delivery, not merely a conduit for funding multiple locations.

6. **Green Building – 10 Points**

The commonwealth will give priority to proposals that utilize Green Building components and techniques. The highest priority will be given to those proposals that assure construction activities will meet a national standard for Green Building, such as Leadership in Energy and Environmental Design (LEED) or the National Association of Home Builders (NAHB) Green Building Program. Proposals that demonstrate use of energy-efficient design and materials will also be given priority.

7. **Land Banks – 5 Points**

DCED will give priority to proposals that will establish land banks as a means of addressing the problems encountered due to foreclosed properties.

K. Program Waivers and Alternative Requirements

Although the distribution of Neighborhood Stabilization Funds is subject to all the usual regulations and requirements of the Community Development Block Grant program, some waivers and alternative requirements have been granted. These waivers and alternative requirements include:

- The overall benefit criterion, which is 70 % for regular CDBG funds, is increased to 100% for NSP funding, meaning that all of the funds must be used for activities that benefit low-, moderate-, and middle income households (LMMH). This income level includes those at 120% of the adjusted median income or below.
- Citizen participation requirements are replaced with an alternative that does not mandate public hearings but does require a reasonable opportunity for citizen comment and ongoing citizen access to information on how grant funds are being used. DCED is requiring applicants to hold (1) public meeting to seek citizen input on the proposed projects / activities
- The one-for-one replacement of housing requirements is waived; however, each applicant must document efforts to rehabilitate existing units or create new affordable units with either these funds or other state and local funding.
- A regulatory waiver allows the distribution of these funds by states to direct federal entitlement communities, urban counties, and nonprofits, entities that normally do not participate in the DCED's CDBG Program.

L. Continued Affordability

HUD requires that states ensure, to the maximum extent practicable and for the longest feasible term, the continued affordability of housing units assisted with NSP funds, including homes sold, rented, rehabilitated/improved or redeveloped. These housing units must remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income (AMI).

DCED will require that all grantees adhere to the HOME Program affordability requirements and standards. Any rental units assisted or developed with NSP funds fulfilling the requirements to create housing for households with incomes no greater than 50 percent AMI must remain available to households within that income limit for the duration of HOME Program affordability period.

Current HUD regulations state that all rental income above that needed for operations, maintenance and reserves is considered program income and must be returned to HUD. This provision does not provide for a sliding scale or shared return of those funds. Therefore, DCED encourages applicants to consider the long term feasibility of rental housing using these funds.

Rent, occupancy, and affordability requirements for homebuyer and rental units will be enforced with covenants, mortgages, or deed restrictions running with the property.

M. Program Income

Any program income received on or after July 30, 2013 must be returned by the grantee to DCED, to be returned to the Federal Treasury.

N. Discounted Acquisitions

The Notice requires that all property acquisitions for each residential property purchased with NSP funds be done at a minimum discount of 5 percent. Plus, HUD imposed further a minimum average discount for all properties acquired over the 18-month use period. That minimum average discount for the “portfolio” of properties acquired with NSP funds will be 15% below the appraised values of the portfolio. To adequately track this discount, each property receiving assistance will be required to have an appraisal and a copy kept on file as well as information about appraisal, purchase, and sales prices being maintained on file for reporting purposes.

O. Tax Liens

There are limited situations where NSP funds could be used to pay tax liens or other liens on properties that will be acquired with NSP funds. NSP grantees (units of local government) cannot use NSP funds to repay taxes that the municipality has levied; however, if another jurisdiction levied the tax, then NSP funds may be used to pay off the taxes owed to another jurisdiction. In other words, a municipality may not repay themselves for taxes it has levied against properties.

P. Administrative Costs

Communities applying for NSP funds may request a maximum of 5 percent of their total grant amount of NSP funds for administrative costs. This net amount allowed will be 5 percent of the total funds in a local grant. The commonwealth (including DCED) will retain the balance of NSP funds available for administrative costs. NOTE: Certain costs such as appraisals, inspections, and working with homeowners or renters are defined as program delivery costs rather than administrative costs.

Q. Reporting

In allocating these funds, Congress requested quarterly reports using an online Disaster Recovery Grant Reporting (DRGR) system. After the first 12 months of the program, monthly reporting is required.

R. Matching Funds Requirement

There is no match requirement, however local jurisdictions are encouraged to use other sources of funds such as Community Development Block Grant funds, HOME funds, Act 137 funds or other sources that can be used to complement the proposed activities under NSP and contribute to a comprehensive community development / neighborhood redevelopment project which will lead to neighborhood stabilization.

S. Single Application and Deadlines

The Single Application for NSP funding must be submitted within 60 days of the grantee being notified of their eligibility to apply for the NSP funds.

To apply for funding, the applicant must submit the electronic on-line DCED Single Application for Assistance located at www.esa.dced.state.pa.us. If the program you are applying under requires multiple copies of the application, they may be sent via US Mail with the hard-copy of the signature page that accompanies the application. If addenda are required, it may be attached electronically to the application on the Addenda tab, or submitted via US Mail with the Signature page. Please reference the Single Application number on any documents sent with the signature page.

T. Contract Period

All contract funds must be expended and project complete within 18 months from the date of DCED's contract. DCED will issue a three-year contract to approved grantees.

U. Ongoing Monitoring and Compliance

Because the NSP funds requires affordability periods on all homebuyer and rental units that are rehabilitated, sold or built for affordable housing under this program, DCED will require annual reporting on the use of funds until the expiration of the affordability periods. In addition, due to the Program Income requirements, DCED will require annual reporting on Program Income.

Neighborhood Stabilization Program (NSP) Application Kit Forms and Instructions

The Single Application for NSP funding must be submitted within 60 days of the grantee being notified of their eligibility to apply for the NSP funds.

To apply for funding, the applicant must submit the electronic on-line DCED Single Application for Assistance located at www.esa.dced.state.pa.us. If the program you are applying under requires multiple copies of the application, they may be sent via US Mail with the hard-copy of the signature page that accompanies the application. If addenda are required, it may be attached electronically to the application on the Addenda tab, or submitted via US Mail with the Signature page. Please reference the Single Application number on any documents sent with the signature page.

**Direct any question in preparing the Application to the NSP Grant Manager,
Melissa Williams at 717-720-1424.**

Non-Discrimination

No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment because of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability. All contracts for work to be paid with commonwealth funds must contain the commonwealth's official nondiscrimination clause.

NSP Application Contents

Each Application must contain the following except where noted otherwise.

Cover sheet indicating:

- Pennsylvania NSP Program
- Name of applicant
- County
- Date of submission

Table of Contents: *(Please organize the Table of Contents and the Application as follows)*

Section I

- A. Copy of the completed electronic Single Application with executed signature page
- B. General Application Description/Certifications
- C. Resolution(s) Authorizing Application Submission
- D. Statement of Assurances
- E. Disclosure Report
 - Appendix A - HUD Programs Subject to Disclosure
- F. DCED Land Use Implementation

Section II

- A. Management Plan/Local Staff Capacity

Section III

- A. Project/Activity Description(s)

Section IV

- A. Map - census tract map with block groups designated

Section V

- A. Other Supporting Documents *(Optional)*

Section VI

- A. NSP Budget Summary

Single Application

A copy of the completed electronic Single Application must be included with the application. Please print a copy with the signature page and include it with your submission. The Single Application can be accessed by going to the Department's website at www.esa.dced.state.pa.us.

Any field that has a (RED on the web link only) diamond next to it is a required field. These fields must be completed before you can submit the electronic Single Application.

Note: When completing the Select Program Section, applicants must choose CDBG-NSP from the drop down menu.

SINGLE APPLICATION FOR ASSISTANCE

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Sections Menu:

- Required Completed
- I. Introduction
- ii. Select Program(s)
- I. Profiles
 - Applicant/Sponsor**
 - Business Specifics
 - Company/Occupant
 - Beneficial Owner/Developer
- II. Project Site Location(s)
 - Site 1
- III. Project Information
- IV. Type of Enterprise
- V. Financial Assistance
- VI. Uses of Funds
- VII. Project Budget
- VIII. Basis of Cost
- IX(i) Project Narrative
- IX(ii) Addenda
- X. Certification

Project Description: **Neighborhood Stabilization Project**

Applicant: Company:

Programs Selected: **Allow DCED to Select the Best Funding Package for My Project**

Application ID: **7050908**

Applicant/Sponsor

Business Specifics

Company/Occupant

Beneficial Owner/Developer

I. PROFILES - Applicant / Sponsor

Eligible entity completing and submitting the application. Applicant can be a business or corporation, non-profit organization, municipality, industrial authority, local development district, local government or licensed education agency. Depending on the type of project and potential funding source, an applicant/sponsor may be submitting the application on behalf of a company or occupant. Indicate the corporate structure of the applicant by selecting one of the following: For-profit corporation, Non-profit corporation, Government, Partnership or Sole Proprietorship.

Name:		CEO:	
CEO Title:		Address:	
City:		State:	
Zip:		FEIN:	
NAICS Code:		<input type="radio"/> For-Profit Corporation <input type="radio"/> Non-Profit Corporation	
Contact Name:		<input type="radio"/> Government <input type="radio"/> Partnership <input type="radio"/> Sole Proprietorship	
Title:		Phone:	
Fax:		SAP Vendor #:	
E-mail:		PA Revenue Tax Box #:	
		Internet Access:	<input type="radio"/> Yes <input type="radio"/> No

Continue ->



GENERAL APPLICATION DESCRIPTION/CERTIFICATIONS

NEIGHBORHOOD STABILIZATION PROGRAM

1. FISCAL YEAR

2. APPLICATION DEADLINE DATE:

3. APPLICANT'S NAME		COUNTY	
4. LOCAL GOVERNMENT CLASSIFICATION <input type="checkbox"/> CITY <input type="checkbox"/> BOROUGH <input type="checkbox"/> COUNTY <input type="checkbox"/> TOWNSHIP (1 ST CLASS) <input type="checkbox"/> TOWNSHIP (2 ND CLASS)			
5. STATE LEGISLATIVE DISTRICTS a.) House: b.) Senate:		6. APPLICANT POPULATION (2000 CENSUS FIGURE)	
7. CHIEF ELECTED OFFICIAL OF APPLICANT (NAME, TITLE, ADDRESS, ZIP CODE, TELEPHONE, E-MAIL)		8. CONTACT PERSON (NAME, TITLE, ADDRESS, ZIP CODE, TELEPHONE, E-MAIL)	

9. TYPE OF APPLICATION (CHECK BOX) <input type="checkbox"/> Municipal <input type="checkbox"/> Joint Municipal <input type="checkbox"/> Non-Profit <input type="checkbox"/> Other	10. LIST MUNICIPALITY(IES) WHERE ACTIVITIES/PROJECTS WILL TAKE PLACE:
---	---

11. NSP-CDBG 2008 PROGRAM SUMMARY
12. ACTIVITIES. <i>Briefly describe activities to be undertaken and municipality(ies) or neighborhood(s) where located.</i>

13. FUNDING		
TYPE	AMOUNT	SOURCE
A. NSP		
B. Other State		
C. Other Federal		
D. Local		
E. Other/Private		
G. Total		
14. FEDERAL EMPLOYER IDENTIFICATION NUMBER:		
15. DUNS NUMBER		



STATEMENT OF ASSURANCES

APPLICANT NAME:

The Grantee makes assurances that it will carry out its responsibilities under this Contract in compliance with the following statutes, regulations or guidelines:

(A) Legal Authority:

It possesses legal authority to apply for the grantee and to execute the proposed program and meets the eligible applicant criteria as listed above in the NSP Action Plan.

(B) Official Resolution:

Its governing body has duly adopted or passed as an official act, a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

(C) Citizen Participation

It has established a citizen participation mechanism which:

- (1) Provides an opportunity for citizens to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and citizens of low and moderate income and provides for timely responses to the proposals submitted. Applicants must hold one public meeting to discuss the proposed project(s) and allow for citizen input, as modified by NSP requirements.
- (2) Identifies how the needs of non-English speaking residents, in the implementation of the Citizen Participation Plan, will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
- (3) Identify how the needs of physically disabled, including hearing and visually impaired persons, will be met, if necessary.

(D) Public Access to Records

a. Units of General Local Government and Non-Profit Organizations:

Recipients shall provide citizens reasonable access to records regarding the use of CDBG funds, consistent with applicable State and local laws regarding privacy and obligations of confidentiality. However, in accordance with 2 CFR 200.336 public access to records held by Federal, State, local governmental entities or non-profit organizations are not subject to the Federal Freedom of Information Act (5 U.S.C. 552) and unless required by Federal, State, or local law, grantees and sub-grantees are not required to permit public access to their records.

Both Units of General Local Government and Nonprofit Organizations are subject to requests for records made pursuant to the Pennsylvania Right-To-Know Law, 65 P.S. §§ 67.101-3104, when such requests relate to or arise out of the grant agreement into which the Units of General Local Government and Nonprofit Organizations have entered into with the Department of Community and Economic Development. The Pennsylvania Right-To-Know-Law provisions appear in Section (k) of Article V, Compliance with Applicable Statutes and Department Regulations, of the grant agreement.

(E) Program Priorities:

The program described in the application will continue to give maximum feasible priority to activities which will benefit low and moderate income families or aid in the prevention or elimination of slums or blight; the use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. It will ensure that not less than 70 percent of funds received as a result of this application will be used for activities that principally benefit persons of low and moderate income.

(F) Financial Requirements:

It will comply with the requirements and policies of 2 CRF Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

(G) Architectural Barriers:

It will comply with the Architectural Barriers Act of 1968, P.L. 90480, as amended (42 U.S.C. 4151 et. seq.). This requires that every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under this Part to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1971, subject to the exceptions contained in 41 CFR 101-19.604. The applicant will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.

(H) Fair Housing and Civil Rights

- (1) Title VI of the Civil Rights Act of 1964, P.L. 88-352 (42 U.S.C. 2000d et. seq.) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no persons in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

Title VI, states that:

"No person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Section 1.4b(2)(i) of the regulations issued pursuant to Title VI requires that:

"A recipient in determining the types of housing accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, the class of persons to whom, or the situations in which, such housing, accommodation, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of persons to be afforded an opportunity to participate in any such program or activity, may not directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin or have the effect of defeating or substantially impairing accomplishments of the objectives of the program or activity as respect to persons of a particular race, color, or national origin".

Title VI, Section 601 provides the **Limited English Proficiency (LEP)** Statutory Authority. Executive Order 13166 (Issued in the Federal Register 65 FR 50121 on August 16, 2000) mandates improved access to federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency.

Grantees are required to make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the grantee's programs and activities that have any federal financial assistance.

- (2) Title VIII of the Civil Rights Act of 1968, as amended by Fair Housing Amendments Act of 1988 (42 U.S.C. 3601-20) which states that no person shall be subjected to discrimination because of race, color, religion, sex, handicap, familial status, or national origin in the sale, rental, or advertising of dwellings, in the provision of brokerage services, or in the availability of residential real estate-related transactions; and requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further fair housing. Executive Order 11063 and the regulations contained in 24 CFR Part 107 requires that all action necessary and appropriate be taken to prevent discrimination because of race, color, religion (creed), sex, or national origin in the sale, rental, leasing, or other disposition of residential property and related facilities or in the use or occupancy thereof where such property or facilities are owned or operated by the Federal Government or provided with Federal assistance by HUD and in the lending practices with respect to residential property and related facilities of lending institutions insofar as such practices relate to loans insured, guaranteed or purchased by the Federal Government.

- (3) Section 109 of the Housing and Community Development Act of 1974, P.L. 93-383 (42 U.S.C. 5309) and the regulations issued pursuant thereto (24 CFR Part 570.602), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under this Part.
- (4) Age Discrimination Act of 1975, P.L. 94-135 (42 U.S.C. 6101 et. Seq)
- (5) Section 504 of the Rehabilitation Act of 1973, P.L. 95-602 (29 U.S.C. 794) and HUD implementing regulations at 24 CFR Part 8.
- (6) Executive Order 11246, Equal Opportunity in Federal Employment, September 24, 1965 (30 FR 12319), as amended by Executive Order 12086, October 5, 1978 (43 FR 46501), and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the Performance of Federal or Federally assisted construction contracts. Contractors and subcontractors on Federal and Federally assisted construction contracts shall take affirmative action to ensure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- (7) Executive Order 11625, October 13, 1971 which prescribes additional arrangements for developing and coordinating a national program for Minority Business Enterprise (36 FR 19967). (2 CFR 200.321 Contracting with small and minority businesses, women's business enterprises and labor surplus area firms.)
- (8) Executive Order 12138, May 18, 1979 (44 FR 29637) which creates a National Women's Business Enterprise Policy. (2 CFR 200.321 Contracting with small and minority businesses, women's business enterprises and labor surplus area firms.)
- (9) Pennsylvania Human Relations Act of October 27, 1957, P.L. 744, (43 P.S. 951-963) which provides that no employee, applicant for employment, independent contractor, or any other person shall be discriminated against because of race, color, religious creed, ancestry, national origin, age, or sex.

(I) Employment

It will comply with Section 3 of the Housing and Urban Development Act of 1968, P.L. 90-448, as amended (12 U.S.C. 1701 (u)) requiring that to the greatest extent feasible opportunities for training and employment be given to low and moderate income residents of the applicant's county and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the applicant's county.

(J) Displacement

It certifies that it has developed and adopted a residential anti-displacement and relocation assistance plan in accordance with Section 104 (d) of the Housing and Community Development Act of 1974.

(K) Acquisition/Relocation

It will comply with the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970, as amended by (42 U.S.C 4601) and the regulations at 42 CFR Part 24 which apply to the acquisition of real property by a State agency for an activity assisted with CDBG funds and to the displacement of any family, individual, business, nonprofit organization or farm that results from such acquisition; and

Will comply with Section 104(k) of the Housing and Community Development Act of 1974, as amended which requires that (i) reasonable relocation assistance be provided (at a minimum, the assistance shown in 24 CFR Part 570.606(c) shall be provided) to persons displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property and (ii) will develop, adopt and provide to persons to be displaced a written notice of the relocation assistance for which they are eligible; and

Will comply with the Eminent Domain Code Act of June 22, 1964, Special Session, P.L. 84, as amended, 26 P.S. 1-101 et. seq.

(L) Benefit Assessments for Public Improvements.

It will not attempt to recover any capital costs of public improvements assisted in whole or in part by CDBG funds or with amounts resulting from a guarantee under Section 108 of the 1974 Housing and Community Development Act by assessing any amount against properties owned and occupied by persons of low and moderate income,

including any fee charged or assessment made as a condition of obtaining access to such public improvement, unless (i) CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (ii) for purposes of assessing any amount against properties owned and occupied by persons of moderate income who, the grantee certified to the State, as the case may be, that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner occupant persons.

(M) Hatch Act

It will comply with the provisions of the Hatch Act, P.L. 85-554 (5 U.S.C 1501 et seq.) which limits the political activity of employees.

(N) Labor Standards

It will comply with the labor standards set forth in Section 110 of the Housing and Community Development Act of 1974, as amended, and HUD's implementing regulations. The standards include, where applicable, the following:

- (1) The Davis-Bacon Act, P.L. 86-624, as amended (40 U.S.C. 276a-276a-5).
- (2) Contract Work Hours & Safety Standards Act, P.L. 87-581 (40 U.S.C. 327 et. seq.).
- (3) Copeland "Anti-kickback" Act (40 U.S.C. 276c).
- (4) DOL regulations at 29 CFR Parts 1, 3, 5, 6, and 7. These regulations implement the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act and the Copeland Act.

(O) PA Prevailing Wage Act

It will comply with the PA Prevailing Wage Act of 1961, as amended (43 P.S. 165-1 through 165-17), when applicable.

(P) Environmental Clearance

Its chief executive officer or other appropriate officer/officers consents to assume the status of a "responsible federal official" under the National Environmental Policy Act of 1969 (NEPA) P.L. 91-190 (42 U.S.C. 4321 et. seq.). The applicant will assume responsibility for environmental review, decision-making and action under NEPA and HUD regulations at 24 CFR Part 58. The applicant further certifies that it has complied with and will comply with 24 CFR Part 58 and the statutes and authorities contained in 24 CFR Part 58.5 in the administration of its project.

General Responsibilities

Grantee is responsible for compliance with the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58 and must comply with all requirements and actions for each activity that it carries out with federal funds, in accordance with the requirements imposed by this agreement and in accordance with Title 24 Part 58 of the Code of Federal Regulations. Grantee will provide information necessary for DCED to determine the environmental effects of each activity to be carried out with Federal funds. Grantee may not commit or obligate any Federal or non-federal funds to the project or any activity that is in any way binding without an Authority to Use Grant funds form from DCED. A copy of the Environmental Review Record (ERR) shall be maintained by both the GRANTEE until at least three years after project closeout unless a longer period is required in writing as an amendment to the agreement by DCED.

Grantee is responsible for assuring that any SUBRECIPIENT to which it provides funds complies with the environmental review requirements.

Project Approvals Subject to Environmental Review Clearance:

No CDBG project funds will be advanced, and no costs can be incurred, until DCED has received sufficient information about the project as required under 24 CFR Part 58. The environmental review may result in a decision to proceed with, modify or cancel the project. Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval for a specific project, and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review and receipt by DCED of a Request for Release of Funds form from the grantee under 24 CFR Part 58 and a copy of the approved Authority to Use Grant Funds form.

Further, the Grantee will not permit any SUBRECIPIENT to undertake or commit any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to completion of the environmental clearance. Any violation of this provision may result in the denial of any funds under the agreement.

Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

Historic Preservation

The grantee agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

(Q) Violating Facilities List

It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of a program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for the listing by the EPA.

(R) Conflict of Interest

It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties. (2 CFR 200.112 Conflict of Interest)

(S) Lead Based Paint

It will comply with Title IV of the Lead Base Paint Poisoning Prevention Act, P.L. 91-695, as amended, (42 U.S.C. 4831) and the regulations issued pursuant thereto (24 CFR Part 35).

(T) Energy Conservation

It will comply with the Cost Effective Energy Conservation and Effectiveness Standards, ENERGY P.L. 95-557 (42 U.S.C. 1425(b)) and the regulations issued pursuant thereto (24 CFR Part 39).

(U) Flood Plain

It will comply with the Pennsylvania Flood Plain Management Act 166 (32 P.S. 697.101-679.601) and the regulations issued pursuant thereto (Title 16, Chapter 38)

(V) Steel Products

It will comply with the Pennsylvania Steel Products Procurement Act of March 3, 1978, (P.L. 6, No. 3, §1, 73 P.S. §1881 et. seq.).

(W) Separation Act

It will comply with the Separations Act of May 1, 1913, P.L. 155, 1, as amended, December 22, 1981, P.L. 546, No. 159, §1, 53 P.S. §1003, as applicable.

(X) Resource Conservation

It will comply with Section 6002 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962) and the regulations issued pursuant thereto (40 CFR Part 249) for the procurement of materials composed of the highest percentage of recovered material practicable.

(Y) Lobbying

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal grant, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreement) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. (2 CFR 200.450 Lobbying)

- (Z)

Excessive Force
It has adopted and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- (AA)

Drug Free Workplace
It has adopted and will enforce a policy creating a drug-free workplace in keeping with the spirit and intent of the Drug-Free Workplace Act of 1988.
- (AB)

Fire Protection and Safety Standards
It will comply with the provisions of the Fire Administration Authorization Act of 1992. (P.L. 102-522)

Signature of Chief Elected Official

Date

Name/Title of Chief Elected Official

Municipality

County

Instructions for Completion of Disclosure Report

All applicants for NSP funds must complete and submit, with their applications, Parts I and II of the Disclosure Report. At the completion of Part II of the report, some applicants will find that they must complete Parts III, IV, V and VI.

Part I requires the applicant's name, address, phone and Federal Employer Identification number; indication as to whether this is an initial report or an update (all applicants will check the initial report box); the fiscal year NSP funds subject to the disclosure; a check as to whether the disclosure is related to an entitlement or competitive application; the amount of NSP funds being requested; the amount of any NSP program income that will be used with the NSP funds; and, the total amount (NSP funds and program income).

Part II asks two questions. If the answer to both questions is "no," the applicant must provide the certification at the end of Part II, but is not required to complete the remainder of the report. If the answer to either questions is "yes" the applicant must complete the remainder of the report.

Part III requires information on any other Federal, State and/or local assistance that is to be used in conjunction with the NSP project.

Part IV requires the identification of interested parties. Interested parties are persons and entities with a reportable financial interest in the project. If an entity is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. All consultants, developers or contractors involved in the application for NSP assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10 percent of the NSP assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit or resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (The following are not considered interested parties: local NSP administrative staff, recipients of housing rehab assistance, and rehab contractors as long as the rehab agreement is between the property owner and the contractor).

It is realized that at the time of application, applicants may not be aware of all interested parties since contracts and agreements for goods and services are not generally awarded until after notice of grant award. Subsequent to grant award, as projects are being implemented, funds will be committed to interested parties which will necessitate the submission of an updated Disclosure Report. However, if an applicant identifies under Part III of the Disclosure Report, other governmental assistance that is to be used in conjunction with projects funded with NSP and, if these other funds have been committed to interested parties, then these interested parties must be identified in Part IV.

HUD Programs Subject to Disclosure

This Appendix contains a list of all the HUD Programs that are subject to the disclosure requirements of Subpart C of 24 CFR Part 12. All applicants for CDBG assistance must review this list to determine if they are receiving, or expect to receive, assistance from other covered programs besides CDBG. Applicants must consider HUD funds that are received either directly from HUD or through the State. The State administered CDBG Program is listed at item 3(v).

It is the total amount of funds received from all the below sources that the applicant uses to answer the second question of Part II of the Disclosure Report.

- (1) Section 312 Rehabilitation Loans under 24 CFR part 510, except loans for single family properties.
- (2) Applications for grant amounts for a specific project or activity under the Rental Rehabilitation Grant program under 24 CFR part 511 made to:
 - (i) A State grantee under Subpart F.
 - (ii) A unit of general local government or a consortium of units of general local government or a consortium of units of general local government receiving funds from a State or directly from HUD whether or not by formula under Subparts D, F, and G.
 - (iii) HUD, for technical assistance under 511.3.

(Excludes formula distributions to States, units of general local government, or consortia of units of general local government under Subparts D and G, within year reallocations under Subpart D, and the HUD-administered Small Cities program under Subpart F.)

- (3) Applications for grant amounts for a specific project or activity under Title I of the Housing and Community Development Act of 1974 made to:
 - (i) HUD, for a Special Purpose Grant under Section 105 of the Department of Housing and Urban Development Reform Act of 1989 for technical assistance, the Work Study program of Historically Black colleges.
 - (ii) HUD, for a loan guarantee under 24 CFR part 470, Subpart M.
 - (iii) HUD, for a grant to an Indian tribe under Title I of the Housing and Community Development Act of 1974.
 - (iv) HUD, for a grant under the HUD-administered Small Cities program under DFR part 570, Subpart F.
 - (v) A State or unit of general local government under 24 CFR part 570.
- (4) Applications for grant amounts for a specific project or activity under the Emergency Shelter Grants program under 24 CFR part 576 made to a State or to unit of general local government, including a Territory.

(Excludes formula distributions to States and units of general local government (including Territories); reallocations to States, units of general local government (including Territories) non-profit organizations; and applications to an entity other than HUD or a State or unit of general local government.)

- (5) Transitional Housing under 24 CFR part 577.
- (6) Permanent Housing for Handicapped Homeless Persons under CFR part 578.

- (7) Section 8 Housing Assistance Payments (only project-based housing under the Existing Housing and Moderate Rehabilitation program for Single Room Occupancy Dwellings for the Homeless under Subpart H).
- (8) Section 8 Housing Assistance Payments for Housing for the Elderly or Handicapped under 24 CFR part 885.
- (9) Loans for Housing for the Elderly or Handicapped under Section 202 of the Housing Act of 1959 (including operating assistance for Housing for the Handicapped under Section 162 of the Housing and Community Development Act of 1987 and Seed Money Loans under Section 106(b) of the Housing and Urban Development Act of 1968).
- (10) Section 8 Housing Assistance Payments-Special Allocations-under 24 CFR part 886.
- (11) Flexible Subsidy under 24 CFR part 219-both Operating Assistance under Subpart B and Capital Improvement Loans under Subpart C.
- (12) Low-Rent Housing Opportunities under 24 CFR part 904.
- (13) Indian Housing under 24 CFR part 905.
- (14) Public Housing Development under 24 CFR part 941.
- (15) Comprehensive Improvement Assistance under 24 CFR part 968.
- (16) Resident Management under 24 CFR part 964, Subpart C.
- (17) Neighborhood Development Demonstration under Section 123 of the Housing and Urban-Rural Recovery Act of 1983.
- (18) Nehemiah Grants under 24 CFR part 280.
- (19) Research and Technology Grants under Title V of the Housing and Urban Development Act of 1970.
- (20) Congregate Services under the Congregate Housing Services Act of 1978.
- (21) Counseling under Section 106 of the Housing and Urban Development Act of 1968.
- (22) Fair Housing Initiatives under 24 CFR part 125.
- (23) Public Housing Drug Elimination Grants under Section 5129 of the Anti-Drug Abuse Act of 1988.
- (24) Fair Housing Assistance under 24 CFR part 111.
- (25) Public Housing Early Childhood Development Grants under Section 222 of the Housing and Urban-Rural Recovery Act of 1983.
- (26) Mortgage Insurance under 24 CFR Subtitle B, Chapter II (only multifamily and nonresidential).
- (27) Supplemental Assistance for Facilities to Assist the Homeless under 24 CFR part 579.
- (28) Shelter Plus Care Assistance under Section 837 of the Cranston-Gonzalez National Affordable Housing Act.
- (29) Planning and Implementation Grants for HOPE for Public and Indian Housing Homeownership under Title IV, Subtitle A, of the Cranston-Gonzalez National Affordable Housing Act.
- (30) Planning and Implementation Grants for HOPE for Homeownership of Multifamily Units under Title IV, Subtitle B, of the Cranston-Gonzalez National Affordable Housing Act.
- (31) HOPE for Elderly Independence Demonstration under Section 803 of the Cranston-Gonzalez National Affordable Housing Act.



DISCLOSURE REPORT

NEIGHBORHOOD STABILIZATION PROGRAM

PART I - APPLICANT INFORMATION

1. APPLICANT/GRANTEE NAME:	
2. ADDRESS:	
3. PHONE NUMBER:	4. FEDERAL ID NUMBER:
5. REPORT: Indicate whether this is: <input type="checkbox"/> Initial Report <input type="checkbox"/> Update Report	
6. PROJECT TO BE ASSISTED:	
6A. FISCAL YEAR:	6B. <input type="checkbox"/> Entitlement Grant(s) <input type="checkbox"/> Competitive Grant
	6C. Amount Requested/Received: _____
	6D. Program Income to be used with C Above: _____
	6E. TOTAL of C and D: _____

PART II - THRESHOLD DETERMINATIONS

1. Is the amount at 6E. (above) more than \$200,000?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Have you received or applied for other HUD assistance (through programs listed in Appendix A of the instructions) which when added to 6E (above) amounts to more than \$200,000?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>If the answer to either 1. or 2. of Part II is "YES", then you must complete the remainder of this report.</p> <p>If the answer to both 1. and 2. of Part II is "NO", then you are not required to complete the remainder of this report, but you must sign the following certification.</p>	

CERTIFICATION

I hereby certify that this information is true.		
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Signature of Chief Elected Official	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Date	
<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Name/Title of Chief Elected Official	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Municipality	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> County

DISCLOSURE REPORT | NEIGHBORHOOD STABILIZATION PROGRAM**PART III - OTHER GOVERNMENT ASSISTANCE PROVIDED/APPLIED FOR**

1. Provide the requested information for any other Federal, State and/or local government assistance, on hand or applied for, that will be used in conjunction with the NSP grant. (See Appendix A of the instructions).

Name and Address of Agency Providing or to Provide Assistance	Program	Type of Assistance	Amount Requested or Provided

[illegible]

DISCLOSURE REPORT | NEIGHBORHOOD STABILIZATION PROGRAM

PART V - EXPECTED SOURCES AND USES OF FUNDS

Identify the sources and uses of all assistance, including NSP, that have been or may be used in the Project.

Source	Use

PART VI - CERTIFICATION

I hereby certify that the information provided in this disclosure is true and correct and I am aware that any false information or lack of information knowingly made or omitted may subject me to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, I am aware that if I knowingly and materially violate any required disclosure of information, including intentional nondisclosure, I am subject to a civil money penalty not to exceed \$10,000 for each violation.

Signature of Chief Elected Official

Date

Name/Title of Chief Elected Official

Municipality

County

DCED Land Use Implementation

Since 2000, when the Growing Smarter land use bills were signed into law, DCED has been encouraging effective local land use planning while respecting private property rights. These measures have included a review for certain projects occurring on previously undeveloped property, requiring the grantee to submit a letter from the appropriate local and county planning agency where they exist.

In May 2005, the Governor's Economic Development Cabinet adopted the Keystone Principles & Criteria for Growth, Investment & Resource Conservation. The principles lay out goals and objectives for commonwealth funding to further economic development and resource conservation. These principles and criteria are designed to encourage multifaceted project development that will integrate programs and funding sources from a variety of state agencies.

Implementing these principles and criteria also requires state agencies to determine how funding programs support local land use planning. DCED has entered into an Interagency Letter of Understanding to guide the Department's review of an applicant's application in light of applicable land use plans.

Obtaining Information about Planning and Zoning

For projects funded with NSP funding, where infrastructure and/or construction of new facilities (public/community facilities, water/sewer facilities, housing, economic development, etc.) will occur on previously undeveloped property, the grantee must submit a letter from the appropriate local and county planning agency (where they exist) specifically identifying the project(s) and certifying that the project(s) is(are) in compliance with all applicable land use and comprehensive plans, and zoning and subdivision ordinances. This letter should be inserted after this page in the NSP Application. Prior to submitting this letter, NSP Program applicants must review the questions below regarding comprehensive planning and zoning ordinances to determine the applicability of the PA Municipal Planning Code.

- Is there an adopted municipal comprehensive plan?
- Is there an adopted county comprehensive plan?
- Is there an adopted multi-municipal or multi-county comprehensive plan?
- Is there an adopted county or municipal zoning ordinance or a joint municipal zoning ordinance?
- Is the proposed project consistent with these comprehensive plans and /or ordinances?

This requirement is not applicable to projects that occur on developed or previously developed property.



MANAGEMENT PLAN/ LOCAL STAFF CAPACITY

APPLICANT NAME:

Describe how your NSP program will be managed and administered by addressing the following:

DCED will give priority to eligible applicants that exhibit strong capacity to administer the NSP in two manners:

- Knowledge, implementation, and compliance of activities funded through the CDBG Program. Identify the required tasks needed to accomplish your proposed activities and any nonprofit agencies, organizations or firms that will help accomplish these tasks including the type of third party contracts intended for services. Please be as specific as possible given the requirements of the NSP.
- Experience administering and delivering the specific activities for which the NSP funds would be used. If significant administrative responsibilities will be assigned to another entity via subcontract, the experience of that entity will be considered as well. For example, identify staff and their key roles in administering the program as well as their skills and /or experience. Identify any nonprofits involved in carrying out activities and their responsibilities. Who will be responsible for the coordination and lead responsibility? Identify any third party contractors that may be used such as appraisers, auditing firms, risk assessors, firms that will conduct clearance testing, etc.

Instructions for Completion of Project/Activity Description

A. Introduction

Activities must be authorized under the NSP and the activity must also be CDBG eligible under 42 USC 5305(a) and meet a CDBG national objective of benefit to low-, moderate-, and middle income households (LMMH). Each activity must be evaluated to determine if it is eligible and fundable for NSP assistance. Additional information can be found in the Housing and Economic Recovery Act of 2008 – Title III Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes and the Federal Register Notice dated October 6, 2008 starting at page 58330. The Project/Activity Description Form is designed to obtain the necessary information to verify that each activity is eligible and fundable.

B. Project Description, Location and Neighborhood Demographics

Applicants must describe in detail the following information for each project that is being proposed:

1. Neighborhood Characteristics

- What issues have been identified as being a significant contributor to foreclosures in the targeted areas;
- Number of abandoned or foreclosed properties in the target area;
- Characteristics of the neighborhood or area where funds are being targeted e.g. market values of housing in the neighborhood, demand for housing etc.

2. Activity Description

- Detail specific activities that are planned in the area – e.g. acquisition, demolition, rehabilitation for resale; new construction; and or other related NSP eligible activities that will be undertaken to address the causes of foreclosure;
- Activities to address individuals and households at or below 50% of area median income (AMI)
- Expected benefit to income-qualified persons or households or areas;
- Appropriate performance measures for the activity (e.g. units of housing to be acquired, rehabilitated or demolished for the income levels represented);
- How the neighborhood will document when stabilization has been achieved in order to evaluate the project;

3. Location

- How are the areas of greatest needs addressed by the project/activity;
- Timeframe for completion of the activities;
- Other funding and/or projects that will complement the program to bring about stability and re-use or redevelopment of property/neighborhood. Please indicate if these funds have been secured or committed to the project/activity.

4. Demolition Activities

Applicants will need to provide the following information if the proposed activities include demolition or conversion of any low-moderated income dwelling units as a result of an NSP assisted activity:

- number of low and moderate income dwelling units reasonably expected to be demolished or converted as a direct result of NSP-assisted activities
- number of NSP affordable housing units (made available to low, moderate, and middle income households) reasonably expected to be produced, by activity and income level as provided for in DRGR by each NSP activity providing such housing and
- number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

C. Map

A map of the applicant's jurisdiction which clearly depicts the following:

1. Census geography with boundaries relative to clearly identified landmarks.
2. Location, incidence, concentration of low-, moderate-, and middle income households (LMMH) based on the latest HUD data.
3. Location of each project / activity for funding, clearly delineating the area of benefit.

D. Other Supporting Documentation

Documentation such as photos, newspaper articles, and cost estimates that support the project / activity being proposed should be included.

E. Budget Narrative

Applicants must provide information on each project / activity costs and provide a basis for the costs. Identify if contractor estimates, engineering estimates, in-house estimates or other sources are used to justify costs.



PROJECT/ACTIVITY DESCRIPTION

(Complete one for each Project/Activity)

1. APPLICANT/GRANTEE NAME:		2. DATE:																													
3. TYPE <input type="checkbox"/> Original <input type="checkbox"/> Revised		4. FUNDING YEAR																													
6. PROJECT/ACTIVITY:		5. PROGRAM NUMBER:																													
7. MUNICIPALITIES SERVED:		8. COST:																													
9. NATIONAL OBJECTIVE:		<table border="0"> <tr> <td></td> <td></td> <td></td> <td>Committed</td> </tr> <tr> <td>NSP</td> <td>\$ _____</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Federal</td> <td>\$ _____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>State</td> <td>\$ _____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Local</td> <td>\$ _____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Private</td> <td>\$ _____</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>TOTAL</td> <td>\$ _____</td> <td></td> <td></td> </tr> </table>					Committed	NSP	\$ _____	Yes	No	Federal	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	State	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Local	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Private	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	TOTAL	\$ _____		
			Committed																												
NSP	\$ _____	Yes	No																												
Federal	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>																												
State	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>																												
Local	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>																												
Private	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>																												
TOTAL	\$ _____																														
10. NATIONAL OBJECTIVE JUSTIFICATION:		11. COST ESTIMATE: Attach Cost Estimate (from Engineer, Architect, etc.) which indicates Activity Components & Delivery Costs.																													
		12. TIME FRAME:																													

A. LMI BENEFIT TESTS

1. AREA BENEFIT: <input type="checkbox"/> CENSUS DATA		2. LIMITED CLIENTELE <input type="checkbox"/> Presumed <input type="checkbox"/> Income Eligibility <input type="checkbox"/> Nature/Location													
C.T.: _____ E.D.: _____ B.G.: _____ Area Pop.: _____ LMI Pop.: _____ % LMI: _____		3. HOUSING: <input type="checkbox"/> Rehabilitation <input type="checkbox"/> New Housing Support/Construction <table border="0"> <tr> <td></td> <td>Yes</td> <td>No</td> </tr> <tr> <td>One-Unit Structures- Each Household LMI?</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Two-Unit Structures- At least 1 Unit is LMI?</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Multi-Unit Structures- 51% of Units are LMI?</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> For Non-Elderly New Rental Housing with less than 51% LMI units- % LMI units (20% - 50%): _____ CDBG funds limited to: _____			Yes	No	One-Unit Structures- Each Household LMI?	<input type="checkbox"/>	<input type="checkbox"/>	Two-Unit Structures- At least 1 Unit is LMI?	<input type="checkbox"/>	<input type="checkbox"/>	Multi-Unit Structures- 51% of Units are LMI?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No													
One-Unit Structures- Each Household LMI?	<input type="checkbox"/>	<input type="checkbox"/>													
Two-Unit Structures- At least 1 Unit is LMI?	<input type="checkbox"/>	<input type="checkbox"/>													
Multi-Unit Structures- 51% of Units are LMI?	<input type="checkbox"/>	<input type="checkbox"/>													
		4. JOB CREATION/RETENTION Number of Jobs Created _____ Retained _____ Number of LMI Jobs Created _____ Retained _____ % LMI Jobs Created _____ Retained _____													

PROJECT/ACTIVITY DESCRIPTION**B. PROJECT/ACTIVITY DESCRIPTION**

Describe the activity sufficiently to demonstrate that it is an eligible activity, and that its scope is adequate to meet the identified needs of intended beneficiaries. Particular attention must be focused on the impact the proposed solution will have upon low and moderate income people.

Due to the competitive review process, the activity should be described comprehensively to substantiate the cause and magnitude of the need, and "third party" support (reports, newspaper articles, letters from affected residents, businesses, etc.), should be provided. Focus as specifically as possible on the impact of the problem on the residents of the affected area.

(Attach Additional sheets as necessary.)



BUDGET SUMMARY

NEIGHBORHOOD STABILIZATION PROGRAM

1. APPLICANT/GRANTEE NAME:			2. DATE:	
3. TYPE <input type="checkbox"/> Original <input type="checkbox"/> Revised <input type="checkbox"/> Modification		4. FISCAL YEAR	5. CONTRACT NUMBER:	

HUD Code Title / Regulation Citation	NSP	NSP Income	Other	Total
Acquisition of Real Property / 570.201 (a)				
Disposition / 570.201 (b)				
Senior Center/Facilities / 570.201 (c)				
Parks, Recreation Facilities / 570.201 (c)				
Parking Facilities / 570.201 (c)				
Storm Water Improvements / 570.201 (c)				
Water / Sewer Improvements / 570.201 (c)				
Street Improvements / 570.201 (c)				
Fire Station / Equipment / 570.201 (c)				
Public Facilities - Other / 570.201 (c)				
Clearance and Demolition / 570.201 (d)				
Public Service				
Public Service - Housing / 570.201 (e)				
Interim Assistance / 570.201 (f)				
Relocation / 570.201 (i)				
Construction of Housing / 570.201 (m)				
Direct Homeownership Assistance / 570.201 (n)				
Rehab: Single-Unit Residential / 570.202				
Rehab: Publicly or Privately Owned Comm./Ind. / 570.202				
Acquisition - for Rehabilitation / 570.202				
Program Administration / 570.205 & 570.206				
General (HUD Code 21A) \$ _____	<i>Administration is limited to 5% of the applicants request.</i>			
Planning (HUD Code 20) \$ _____				
Audit \$ _____				
Pre-Agreement \$ _____				
TOTAL				

BUDGET SUMMARY | NEIGHBORHOOD STABILIZATION PROGRAM**LIMITATIONS****Administration:**

5% of NSP Amount

Total Grant: \$ _____

Administration: \$ _____

Percent: _____ %

10% of Program Income

Total Program Income: \$ _____

Administration: \$ _____

Percent: _____ %

Public Services:

15% of NSP Amount

Total Grant: \$ _____

Public Services: \$ _____

Percent: _____ %

PROGRAM INCOME

Program income must be accounted for separate from the NSP grant. Program Income is governed by the regulations, procedures and requirements of the NSP Program. Program income does not include interest earned on the drawdown of NSP funds prior to expenditure by the grantee or subrecipient. A Program Income Reuse Plan must be submitted to DCED for all program income that is anticipated.

RELOCATION

Whenever relocation is proposed, provide the following information:

Number of businesses to be relocated: _____

Number of persons to be relocated: _____

Number of businesses to receive relocation payments and/or assistance: _____

Number of persons to receive relocation payments and/or assistance: _____

Appendix A – Modifications

Purpose

This appendix will serve to set forth the appropriate procedures for processing modifications and revisions to the CDBG program.

1. Modifications

- A. Any changes to an approved project/activity, which include changes in budget or beneficiaries, must be submitted to DCED for review and approval prior to the expenditure of funds for the proposed changes.

Appendix B – Models

In an effort to assist applicants in developing projects that will qualify under the Neighborhood Stabilization Program (NSP) as described in the Commonwealth's NSP Action Plan of November 2008, the Department of Community and Economic Development has formulated some basic models of eligible uses for NSP funding. These models are to be used by potential applicants in the planning process of their programs and may be manipulated to best suit their particular needs in addressing the Areas of Greatest Needs within their jurisdictions. These are not the only way these funds may be used, rather these models give applicants some ideas and points to consider regarding which activities would best suit their communities.

A. Acquisition, Demolition, New Construction and Resale (Homebuyer)

Grantee (or contracted nonprofit) purchases foreclosed property from the bank at 15 percent reduction of fair market value, demolishes blighted structure on the property and rebuilds a new affordable single-family home on the site. The grantee then qualifies an applicant for homeownership through established guidelines. The grantee sells the home to the applicant for no more than the costs of the grantee to acquire, demolish, and rebuild the home. The new homebuyer secures a conventional mortgage with a lending institution and closes on the home. As part of the agreement, the homebuyer must complete eight (8) hours of counseling prior to the sale. All aspects of this process may be paid for with NSP funds. The new homeowner's income must be 120 percent or less of area median income (AMI) for the municipality. The grantee will monitor this property for the affordability period.

B. Acquisition, Rehabilitation and Resale (Homebuyer)

Grantee (or contracted nonprofit) purchases foreclosed property from the bank at 15 percent reduction of fair market value, rehabilitates the single-family unit to meet housing code standards. The grantee then qualifies an applicant for homeownership through established guidelines. The grantee sells the home to the applicant for no more than the costs expended on the home. The new homebuyer secures a conventional mortgage with a lending institution and closes on the home. As part of the agreement, the homebuyer must complete eight (8) hours of counseling prior to the sale. All aspects of this process may be paid for with NSP funds. The new homeowner's income must be 120 percent or less of AMI for the municipality. The grantee will monitor this property for the affordability period.

C. Acquisition and Clearance – Donation to Nonprofit for existing program

1. Grantee purchases foreclosed property from the bank at 15 percent reduction of fair market value using NSP funding. Donates the property to a nonprofit group who is conducting an eligible homebuyer program with other funding. The grantee uses NSP funding for eight (8) hours of homeownership counseling per homebuyer through a HUD approved counselor. Grantee must monitor this program to make sure the affordability period is met along with income verification of the participants to meet the 120 percent or below AMI. All sales received by the nonprofit must be used for other NSP eligible projects for the three (3) year contract period and then returned to DCED for submittal to the Federal Treasury. Potential recipients are:
 - a. Community Housing Development Organizations (CHDOs)
 - b. Habitat for Humanity
 - c. Neighborhood revitalization groups

2. Another variation of this model is having the grantee purchase the foreclosed property at 15 percent reduction of the fair market value and donate it to a nonprofit who is establishing an emergency shelter or transitional housing for homeless persons. The grantee must remember that the establishment of these units do not qualify as housing, but rather would be a public facility. Thus, this example does not qualify for 25 percent requirement for assistance to the 50 percent of median income residents. The grantee must monitor the use of this structure for the full affordability period depending on the amount of NSP funds used.
- D. Acquisition, Demolition for Land Banking (potential Homebuyer or Community Development site)**
Grantee (or contracted nonprofit) purchases foreclosed property from the bank at 15 percent reduction of fair market value, demolishes blighted structure on the property. The grantee then retains the property in a repository until it can be sold or used for a redevelopment project within the subsequent ten years from contract start date. The grantee must document, when the property is sold, that the property will be used to benefit persons 120 percent of the area's median income or below and establish the affordability period for the amount of NSP funds used for the acquisition and demolition if no other NSP funds are used in the project.
- E. Acquisition and Demolition for LMI Rental Housing**
Grantee (or contracted nonprofit) purchases foreclosed property from the bank at 15 percent reduction of fair market value or donates properties from an existing list of properties up for tax sale. They then demolish the blighted structure on the property using NSP funds. The property is then donated to a developer or public housing agency for low-income rental housing. The affordability period will depend on the amount of NSP funds used to acquire, demolish and build, per unit. The grantee must monitor the project for the period of affordability. Examples of housing projects that might be leveraged with the NSP funds.
1. Low-Income Housing Tax Credit rental projects
 2. PHFA-funded MUFFI projects
 3. Rural Development affordable housing projects
 4. Gap financing for projects
- F. Acquisition and Rehab for Lease/Purchase program**
Local government unit purchases foreclosed property from the bank at 15 percent reduction of fair market value and rehabilitates the single-family unit to housing code standards. The grantee then donates the property to a nonprofit entity, which has a waiting list of eligible renters that have the potential to be homeowners but need to improve their credit scores to secure a conventional mortgage. The renter's income must be 120 percent of AMI or less for the municipality. The renter lives in the home and pays rent until he/she has 20 percent equity in the home (sale price must not be greater than the amount of NSP funds used to purchase and rehabilitate it). The renter then goes to the bank to get a conventional mortgage and purchases the home. As part of the lease/purchase agreement the renter must complete eight (8) hours of counseling prior to the sale. All of the grantee's expenses of this program may be paid for with NSP funds.
- G. Demolition only (lien placed on property)**
Grantee does not acquire property but rather demolishes blighted and abandoned structure on it and liens the property for the cost of demolition. The area has an income level of less than 120 percent AMI. This activity should be used in conjunction with a comprehensive neighborhood stabilization program, where other activities are being carried out to revitalize a neighborhood and these properties are not part of the immediate development needs of the program but need to be cleared for the aesthetic value of the neighborhood. Once the lien is paid, the program income funds, if within three years, may go for other NSP eligible programs. If after the three years, the funds must be returned to DCED for submittal to the U.S. Treasury.

This activity may also be used in a Priority Need Area that is determined by the grantee to have limited market value and that redevelopment would not encourage buyers to the area. The area must have an income level of less than 120 percent AMI. This activity can be utilized to clear unsafe and unhealthy structures so as to limit the need for municipal expense in protecting them from trespassers.

H. Donation of Property, Rehabilitation, Resale including Subsidy, Counseling (Agency serving as Bank for Resale)

The local government entity donates properties off of its tax foreclosure sale list to a qualified nonprofit agency that has an established homeownership program in a Greatest Need Area. The nonprofit uses NSP funds to rehabilitate the home to code. In the meantime, the nonprofit verifies the income of an eligible family for homeownership and they complete an eight (8) hour homeownership counseling course with an approved provider. Upon completion, the family takes ownership of the home and pays a monthly mortgage fee to the nonprofit. This program income is used to assist other families in a similar way for the next five years. After that time, the program income is returned to DCED, which is subsequently returned to the U.S. Treasury. The nonprofit was the recipient of the NSP funds so it is their responsibility to monitor this home for the appropriate affordability term.

I. Financing Subsidy and Counseling program only

The grantee (or contracted nonprofit) works with FHA, Veteran's Administration, PHFA, and/or local financing agencies to develop a program in which housing code-compliant foreclosed upon homes are acquired with other funds and made available to NSP income-qualified homebuyers with the assistance listed below from the grantee or nonprofit. The assistance activities below are eligible uses of NSP funds. The grantee will maintain a list of income-verified homebuyers for immediate processing. The homebuyer must participate in a minimum eight (8) hour counseling program, which is paid for from the NSP funding. The grantee must monitor this property's affordability for the required period.

1. Loan Guarantee
2. Interest Write down
3. Soft second
4. 3 percent Subsidy Downpayment

J. Acquisition, Clearance for Public Facility in income qualifying area.

1. The grantee acquires a vacant, foreclosed property for less than the fair market value in a neighborhood of a Priority Need Area. The area has an income level of less than 120 percent AMI. The grantee demolishes the dilapidated structure. They donate the property to a neighborhood revitalization group, who puts the property to reuse as community gardens for members of the neighborhood. NSP funds can be used for all of these activities.
2. Another variation of this model would allow a grantee to demolish a blighted property, but not foreclosed upon property, if the grantee used other funds to acquire the property. Once demolished, the property can similarly be donated to a neighborhood revitalization group, who puts the property to reuse as community gardens for members of the neighborhood. NSP funds can be used for all of these activities except the acquisition.

K. Acquisition, Rehab, and Rental for Homeless/Special Needs Housing – Clarification Need from HUD on coordinating use of NSP funds with TBRA

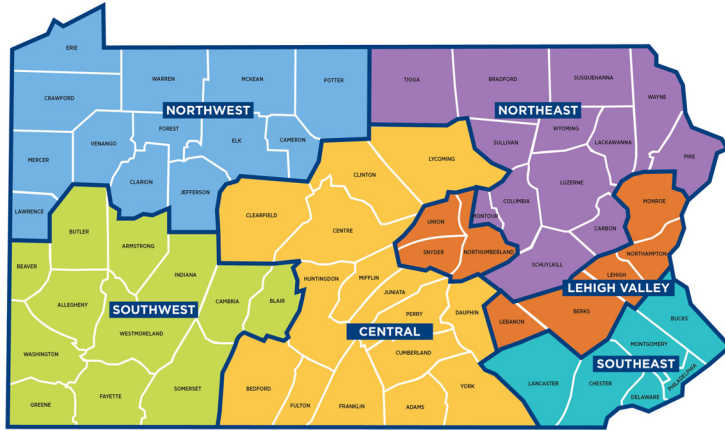
1. Grantee (or contracted nonprofit) purchases foreclosed property from the bank at 15 percent reduction of fair market value, rehabilitates the single-family unit to meet housing code standards. Grantee donates the property to a public housing authority, if the public housing authority is not the grantee, and then rents to tenants with Section 8 vouchers. The affordability period will depend on the amount of NSP funds used to acquire and, if necessary, rehabilitate the unit. The grantee must monitor the project for the period of affordability.
2. Another variation of this model is for the public housing authority to allow multiple tenants to rent the single-family unit in a share housing arrangement, without modifying the house into separate units. This housing model may be workable for persons with disabilities as a means of providing or coordinating long-term support. The affordability period will depend on the amount of NSP funds used to acquire and, if necessary, rehabilitate the unit. The grantee must monitor the project for the period of affordability.
3. Another variation of this model is for a nonprofit or housing authority to coordinate the tenant-based assistance through a homeless Supportive Housing Program. This variation may work under either model A or B above.

L. Rental Housing for Mental Health Consumers

Grantee solicits for developers to purchase (or directly purchases) foreclosed properties from the bank at 15 percent reduction of fair market value, rehabilitates the single-family unit to meet housing code standards. Grantee coordinates with county mental health agency to provide subsidy for tenant based rental assistance or identify clients already receiving Section 8 assistance who are seeking suitable housing. The affordability period will depend on the amount of NSP funds used to acquire and, if necessary, rehabilitate the unit. The grantee must monitor the project for the period of affordability.

Regional Offices

Pennsylvania Department of Community and Economic Development dced.pa.gov



Central

Adams, Bedford, Centre, Clearfield, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lycoming, Mifflin, Perry, and York counties

Department of Community and Economic Development
Ted Martin, Director
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 525-5796
Fax (717) 783-4663
theomartin@pa.gov

Southeast

Bucks, Chester, Delaware, Lancaster, Montgomery and Philadelphia counties

Department of Community and Economic Development
Aliyah Furman, Director
110 North 8th Street, Suite 505
Philadelphia, PA 19107-2471
(215) 560-5830
Fax: (215) 560-5832
alifurman@pa.gov

Southwest

Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties

Department of Community and Economic Development
Johnna Pro, Director
301 Fifth Avenue, Suite 250
Pittsburgh, PA 15222
(412) 565-5098
Fax: (412) 565-2635
jopro@pa.gov

Northeast

Bradford, Carbon, Columbia, Lackawanna, Luzerne, Montour, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties

Department of Community and Economic Development
Paul Macknosky
2 North Main Street
Pittston, PA 18640
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Northwest

Cameron, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community and Economic Development
Kim Thomas, Director
100 State Street, Suite 205
Erie, PA 16507
(814) 871-4245
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kimbethoma@pa.gov

Lehigh Valley

Berks, Lehigh, Monroe, Lebanon, Northampton, Northumberland, Snyder, and Union counties

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Fadia Halma, Director
400 North Street, 4th Floor
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fhalma@pa.gov